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SUMMARY RECORD OF THE 32nd MEETING

Chairman: Mr. GUERRERO (Philippines)
(Vice-Chairman)

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In the absence of Mr. Piriz-Ballon (Uruguay), Mr. Guerrero (Philippines), Vice-Chairman, took the Chair.

The meeting was called to order at 3.35 p.m.

AGENDA ITEM 78: DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION (continued)

(a) TRADE AND DEVELOPMENT (continued) (A/47/15, vols. I and II, A/47/312-S/24238, A/47/398 and Corr.1, A/47/410, A/47/414 and Add.1, A/47/636; A/C.2/47/3; TD/364)

1. Mr. AHMIA (Algeria) said that his delegation fully supported the position of the Group of 77 on the issue of trade and development and noted with concern the marked slow-down in the growth of world trade, which had increased by barely 3 per cent in 1991. It was ironical that the courageous efforts of developing countries to adjust their economies and liberalize their trade policies were being answered by an upsurge of protectionism in the developed countries.

2. The report of the South Commission had rightly stressed the need for the North to open its markets to exports from the developing countries and to accord those countries a more favourable treatment, as a precondition for sustainable growth in the developing world. To that end, a free, open, transparent and non-discriminatory international trade system must be established, through joint regulatory efforts by developed and developing countries alike, aimed at guaranteeing the stability, predictability and sound operation of international trade and at achieving more equitable access by the developing countries to technology and investment. In addition, he urged the developed countries not to aggravate the already serious economic hardships experienced by the developing countries and, in particular, to root out corruption in their trade practices.

3. The world economy suffered from the severe structural distortion of markets and the plummeting prices of commodities. Concerted efforts by producers and consumers were essential to correct those imbalances, so as to achieve long-term stability, transparency and efficiency of the commodity market.

4. The United Nations Conference on Trade and Development (UNCTAD) had acquired crucial significance for the developing countries, as the ideal framework for the consideration of questions of trade and development. He therefore welcomed the active part played by UNCTAD in the ongoing revitalization of the United Nations system and urged it to give greater consideration to the role of South-South cooperation. Algeria supported all initiatives designed to strengthen the operational capacity of UNCTAD, thereby enhancing its work for development and international cooperation.

5. Many developing countries were establishing regional and subregional associations designed to strengthen development and international cooperation

(Mr. Ahmia, Algeria)

by opening up their markets, improving productivity and stimulating investments. For its part, Algeria was working towards the creation of a Maghreb regional body, the consolidation of Africa-wide cooperation through the Treaty Establishing the African Economic Community, signed at Abuja in June 1991, and the achievement of stronger cooperation between the Arab world and Africa.

6. In addition, Algeria was pursuing reform policies with a view to reactivating its production system and revitalizing growth and development, while safeguarding the gains of previous decades, particularly where the more disadvantaged population sectors were concerned. To that end, it had undertaken a range of legislative and administrative reforms, designed to ensure the long-term development of human resources, the promotion of exports and private initiative, the liberalization of prices and trade and the opening up of the economy to foreign investment. Economic planning, the banking system, the structure and status of state enterprises and credit and currency regulations had all been overhauled so as to strengthen and intensify the reform process. In particular, legislative measures had been adopted to permit the involvement of foreign capital and the greater participation of foreign companies in oil exploitation operations. The Government's new labour programme aimed to improve the organization of the national economy through the gradual creation of a market economy, based on sound internal production, which was fully open to the outside world.

7. Mr. SARDENBERG (Brazil) said that the international community must strive to establish a multilateral trading system which was open, fair, transparent and equitable. His country therefore attached utmost importance to the Uruguay Round of multilateral trade negotiations. The fact that those negotiations were stalled bore witness to the short-sightedness of the principal economic powers.

8. The developing countries had done their share, often at considerable cost to themselves, to promote an open and equitable international trading system by adopting trade liberalization measures. However, those measures had not been reciprocated by their main trading partners. Restrictions on market access for the exports of developing countries remained, and were compounded by restrictions on access to technology. The gap between North and South was widening - a fact that was directly reflected in international trade. Indeed, the developing countries' share of world trade had fallen from 24.8 per cent in 1980 to 19.3 per cent in 1989. In addressing the issue of technology transfer, it was necessary to bear in mind the needs of the private sector as well as the requirements of small and medium enterprises in the developing world.

9. The Cartagena Commitment, adopted at the eighth session of the United Nations Conference on Trade and Development, must be the basis for renewed efforts by the international community to seek solutions to the constraints on trade and development. As agreed in the Declaration adopted at that session,

(Mr. Sardenberg, Brazil)

development should become the priority item on the agenda of the international community. The peoples of the South eagerly awaited a positive signal from their partners of the North, and believed that the Second Committee was the forum in which a new negotiating effort should be launched.

10. In his report on the work of the Organization (A/47/1), the Secretary-General had, quite rightly, placed the agenda for development on a par with the peace endeavours of the United Nations. In the view of his delegation, that agenda should be discussed in and implemented by the Second Committee. Judging from the experience of the past few years, however, the Committee was not addressing that agenda. Vital issues such as trade, financial resources and technology were dealt with in an essentially procedural manner while issues which should be procedural were endlessly discussed. The agenda for development required not only a creative outlook but also active negotiations. The existing parts of the United Nations must have their roles strengthened and new structures must be established to put into effect the comprehensive commitments agreed to at the United Nations Conference on Environment and Development.

11. In order to effectively establish an agenda for development, the Secretary-General would have to expand the concepts contained in his report and submit a specific report on that issue at the forty-eighth session. The report should contain, inter alia, a comprehensive list of substantive themes to be addressed by the Organization in the promotion of development.

12. Turning to the issue of working methods, he stressed the need for the Committee to work in an atmosphere of genuine cooperation, such as had been achieved at the recent UNCTAD session. In recent years the Committee's paramount goal seemed to have become the achieving of consensus. While consensus was highly desirable, it should not be allowed to inhibit the Committee in its work.

13. His delegation was also particularly concerned to see that agreements were not being effectively implemented and seemed subject to constant renegotiation. The Commission on Science and Technology for Development, which had been established following a decision taken at the forty-sixth session, was a case in point. It was now being suggested that that body should be integrated with the soon-to-be-established Commission on Sustainable Development. The mandates of the two bodies were quite distinct. The Committee should focus on substantive issues rather than on procedural matters. It should concentrate in future on implementation of the agenda for development, taking into account a report to be submitted by the Secretary-General on that issue. His delegation was ready to participate in the elaboration of a brief resolution which would entrust the Secretary-General with the necessary authority to begin working on the implementation of that agenda.

14. Mr. PREDA (Romania) said that the sluggish performance of the world economy was also reflected in trade patterns. Growth in the volume of world trade had declined to 2.5 per cent in 1991, primarily because of decreasing demand for imports by industrial countries and the collapse of trade between the countries in Eastern Europe and the former Soviet Union. Prospects for improvement were darkened by the impasse reached in the Uruguay Round negotiations. A more open world trading system was of crucial importance for Romania and the other countries in transition, which needed increased earnings from trade to finance their imports and to promote sustainable economic growth. Increased export opportunities would also make their economies more attractive to foreign investors.

15. Romania was undertaking an extensive process of opening up and democratizing its political, economic and social institutions. In that process, State monopolies for domestic and foreign trade had been dismantled, trade activity deregulated and the formalities attendant upon trade activities reduced to a minimum. Steps had been taken to reduce tariff levels, to abolish import quotas and import and export licences and to remove legal discrimination between private and State-owned enterprises.

16. Romania was renegotiating its protocol of accession to the General Agreement on Tariffs and Trade (GATT), in the conviction that a successful outcome of the current Round would stimulate Romanian exports while opening its market to imports.

17. One of Romania's foreign policy priorities was to reintegrate the country in the European economic and political structures and it was therefore gratified that an agreement of association between Romania and the European Communities was to be signed in December 1992. In addition, he hoped that the forthcoming establishment of a free trade area between Romania and the European Free Trade Association (EFTA) countries, would further boost Romania's efforts to achieve a market economy.

18. Finally, he welcomed the positive outcome of the eighth session of UNCTAD and believed that the adoption of the Cartagena Commitment was a positive step towards the achievement of a healthy, secure and equitable world economy.

19. Mr. ISAKOV (Russian Federation) said that recent major events in world economic relations had included the entry of the Russian Federation and other newly independent States into the Bretton Woods institutes, the successful conclusion of the eighth session of UNCTAD and the genuine and universal endeavour to prevent the failure of the current negotiations in GATT. Common to all those events was the increasing importance attached to integration. In his view, the processes of "integrational regionalism", at both global and local levels, were not necessarily harmful, but could work together to create vast areas for integrated activities, providing the sort of firm and flexible structures essential for the global economic space of the future.

(Mr. Isakov, Russian Federation)

20. At the same time, the new arsenal of global economic relations offered an effective defence against manifestations of militant nationalism in the economic area and he stressed that, in order to be addressed effectively, national economic problems must be addressed in a manner consistent with world economic realities and the interdependence of the global economy.

21. The Russian Federation welcomed the practical implementation of the decisions adopted at the eighth session of UNCTAD, with a view to revitalizing the Conference in the context of the general reform of the social and economic sector of the United Nations. Prominent among such practical measures were the definition of the terms of reference of the re-established subsidiary bodies of the Trade and Development Board and the increased importance attached to such crucial problems as support for economies in transition, conversion of military production and interdependence of trade liberalization and environmental protection.

22. Much still remained to be done to transform UNCTAD into an effective and truly universal organization, properly tuned to the requirements of global economic development and the interests of all countries and observing a rational division of labour with other analagous multilateral mechanisms.

23. As the Russian Federation was seeking full integration in the multilateral trading system, it was endeavouring, wherever possible, to promote the stability of that system and therefore attached great importance to its participation, as an observer, in the work of GATT. He reiterated his country's readiness to join the Agreement as a contracting party and, in that connection, hoped that the current Uruguay Round would be successfully concluded. Failure of the Round might lead to a chain reaction of trade sanctions and a real threat of trade wars; if that were to happen there would be no victors.

24. The radical reform of the foreign economic sector of the Russian economy was crucial to the success of the country's overall reform process. To that end, a range of legislative and administrative measures had been implemented, with a view to liberalizing foreign economic activity and opening up the country's own economy. The remaining export restrictions - in the form of tariffs and quotas, necessitated by the persisting gap between domestic and world prices and the severe shortage of certain commodities - were gradually being lifted and steps were being taken to simplify bureaucratic procedures.

25. Similar measures had been adopted to lift restrictions and simplify procedures concerning imports, with the introduction of a single, 15 per cent import tax, from which certain foodstuffs and medicines were exempt. Imports from developing countries were taxed at lower rates, while those from the least developed countries were imported free of tax. Through those measures it was hoped to create a machinery for the regulation of foreign trade based on economic methods, primarily in the form of tariffs, which would benefit Russian commerical enterprises and their foreign partners alike.

26. Mr. BUTLER (Australia), speaking on behalf of the Cairns Group of agricultural exporting countries, said that the Group was deeply concerned that, unless an urgent solution was found to the outstanding differences, the Uruguay Round of negotiations would not come to a successful conclusion before the end of 1992. Although considerable progress had been made in recent months to resolve problems which key participants had with the agricultural package in the draft final act, political difficulties among major participants were jeopardizing the success of the Round as a whole. The negotiations could not be allowed to fail. A successful outcome was needed in order to promote global economic growth, prevent a deterioration of the world trading system and enable the restructuring and liberalization efforts already under way in many parts of the world to bear fruit. Delay in concluding the Round was already damaging the credibility of the multilateral trading system.

27. In the view of the Cairns Group, the remaining differences could be ironed out, provided that all sides demonstrated the necessary commitment, flexibility and goodwill. Members of the Group had indicated their readiness to participate in the negotiations in a constructive way in order to secure a multilaterally acceptable settlement. The key consideration remained that the outcome should contribute genuinely to trade liberalization and be consistent with the central principles and reform modalities in the draft final act.

28. Mr. JAMTOMO (Indonesia), speaking on behalf of the member countries of the Association of South-East Asian Nations (ASEAN), said that growing interdependence coupled with fundamental changes in the world economy posed many new challenges and opportunities for improving global economic cooperation. It was imperative to achieve a healthy, secure and equitable multilateral trading system. The ASEAN countries were greatly encouraged by the outcome of the eighth session of UNCTAD which had marked a turning-point towards non-confrontational dialogue and negotiation.

29. The success of the Uruguay Round of multilateral trade negotiations was vital to the economic development of the ASEAN countries and they therefore hoped that an early solution would be found to the agricultural subsidy deadlock so as to avert the danger of a trade war. A successful conclusion of the Uruguay Round with contributions from both developed and developing countries to lowering protectionism would have a major impact on the world economy.

30. As commodities were of vital importance to the economies of most developing countries, greater cooperation should be encouraged among such countries and between producers and consumers so as to promote stronger and more effective international policies on commodities. Such policies would help to improve the stability, transparency and functioning of commodity markets over the long term, generating significant benefits to producers and consumers alike while, at the same time, maximizing the commodity sector's contribution to development and international trade. In that regard, the exploratory process initiated by UNCTAD on the viability of convening a world conference on commodities should also be supported.

(Mr. Jamtomo, Indonesia)

31. The debt crisis continued to inflict serious socio-economic difficulties on many developing and least developed countries. Although the recent debt-reduction schemes represented an encouraging development, there was a pressing need to provide new approaches to find an early and lasting solution to the debt problem. To support structural adjustment programmes, poverty alleviation efforts and the promotion of sustainable development, it was imperative that resources should continue to be made available to developing countries from bilateral and multilateral sources and that such resources should be free from non-economic conditionalities.

32. The ASEAN countries had embarked on a series of measures to integrate their economies in order to support and complement the multilateral trading system. They had also adopted outward-looking economic and trade policies accompanied by extensive market-oriented domestic reforms, in order to increase external trade and investments. In an effort to accelerate economic cooperation within ASEAN and to support and complement the international trading system, they had decided to establish the ASEAN Free Trade Area (AFTA) through the mechanism of a common effective preferential tariff scheme whose ultimate objective was to harmonize intra-ASEAN tariffs between zero per cent and 5 per cent. That would in no way detract from the ASEAN countries' fundamental commitment to an open international trading system for they recognized the need to be part of the larger Asia-Pacific region and therefore were participating actively in Asia-Pacific economic cooperation (APEC) which might provide an opportunity for the Asia-Pacific region to play an important role in enhancing a free and open multilateral trading system.

33. Mr. COHEN (Israel) said that the successful outcome of the eighth session of UNCTAD would contribute to international cooperation in the field of trade and development. UNCTAD could play an important role by promoting trade policies at the regional and national levels and by creating appropriate policies that would foster sustainable trade development.

34. In the field of development, it was necessary to adopt a holistic approach that would include protection of the environment, solution of social and demographic problems and the eradication of poverty. His delegation fully shared the widespread concern about those closely interrelated problems.

35. Israel attached great importance to economic cooperation among developing countries. Far more should be done to learn from the experiences of countries that could no longer be considered to be developing countries but were not yet firmly within the group of developed countries. They included the newly industrialized countries of Asia and Latin America and also Israel - countries that had bridged the gap between the developed and the developing countries and whose particular experiences could be of relevance to other countries.

36. Concepts of integrated regional development, particularly at the rural level, were of great relevance to many developing countries. A society that was setting out to rebuild itself must place strong emphasis on structures and

(Mr. Cohen, Israel)

patterns of relationships that encouraged self-reliance, self-sufficiency and pride in achievement.

37. Israel had made considerable efforts to expand its technical and economic cooperation with other developing countries. For more than three decades, it had shared its know-how and the lessons of its own experience with 110 developing countries in such areas as farm integration, alternate energy development, literacy programmes, water engineering and irrigation, and rural and community development. Those assistance programmes were based on Israel's belief that human resources development was an essential element in the development process.

38. Technology was a key element in sustainable development and must be carefully selected with a view to adapting it to the specific needs of each country. Because of its experience in the field of technology development, Israel was in an excellent position to share its home-grown technologies and know-how with others. Such assistance could also include the establishment of infrastructure, including research and development systems, and manpower development. Israel was, as always, ready to share its knowledge and experience and in that way contribute to successful and sustainable development.

39. Mr. BRIGUGLIO (Malta) said that, in addition to the general problems faced by developing countries, island developing countries suffered numerous additional handicaps arising, inter alia, from their small size, remoteness, geographical dispersion and vulnerability to natural disasters. Since the gross national product (GNP) per capita index did not take such weaknesses into account, it was necessary to develop an index that quantified the vulnerabilities of those countries in order to give a truer picture of their economic strength. At the meeting of Governmental Experts of Island Developing Countries and Donor Countries and Organizations, held under the auspices of UNCTAD in June 1990, it had been proposed that UNCTAD should give particular consideration to a review of appropriate indicators of social and economic progress that took into account factors that related to the high vulnerability of island developing countries.

40. Following that meeting, UNCTAD had commissioned a pilot study for the preparation of a vulnerability index. The author of the study had based the construction of the index on three major criteria, namely, that the index should be easy to construct, the results should be easy to understand and the index should lend itself to international comparisons. On the basis of those criteria, a number of variables qualified for inclusion in the index. Three variables had been selected as the most important with respect to economic vulnerability, namely, exposure to foreign economic conditions, remoteness and insularity, and proneness to natural disasters. The study also discussed a weighting procedure for the composite index and a methodology for quantifying the variables.

(Mr. Briguglio, Malta)

41. One hundred and thirteen countries were ranked according to a formula utilizing data on the three variables, and the end result showed very clearly that island developing countries, especially small island developing countries, tended to be more vulnerable than other countries. The types of vulnerabilities represented in the index were not related to the degree of economic development, and many economically vulnerable island developing countries did not fare badly in terms of GNP per capita and the human development index. The results of the pilot study indicated that many island developing countries had an economy that appeared strong in terms of GNP per capita, while in reality they had an extremely fragile economy.

42. The vulnerability index developed in the pilot study could be improved in a number of areas. One deficiency of the pilot study was that it was not sufficiently operational for policies of donor countries.

43. Malta took a keen interest in issues, policies and strategies to assist island developing countries. Apart from the initiatives that the Maltese Government had taken in international forums and organizations, there was also considerable interest in academic circles, notably the Foundation for International Studies of the University of Malta. The Foundation's Islands and Small States Programme had taken various initiatives in that regard. So far, the Programme had focused on economic issues but it was altering its statute to include environmental, geographic, educational and political issues with a view to adopting an integrated approach. The aim of the Programme was to help foster an interest in the special problems of islands in order to make them more viable and less vulnerable.

44. His delegation noted with satisfaction that many international organizations were giving serious attention to the vulnerability of island developing countries. Malta supported the initiatives taken by the Alliance of Small Island States (AOSIS), and it was ready to extend its expertise and other forms of assistance for the preparation of the global conference on sustainable development of small islands, scheduled to be held in 1993.

45. Mr. GOUMENNY (Ukraine) expressed his delegation's appreciation for the Cartagena Commitment adopted by UNCTAD at its eighth session. His delegation agreed with the conclusion that "early completion of the transformation of the economies of the countries of Central and Eastern Europe into market-based ones would strengthen the emerging new partnership for development". However, such market reforms would require a skilful balance of administrative and economic regulation. Government intervention should not go beyond the bounds of essential government strategy, which included the development of commercial activity, support for small- and medium-sized businesses and the transformation of medium- and large-scale enterprises into joint-stock corporations. Ukraine was intent on privatizing external trade enterprises, creating commercial intermediaries, inviting tenders for government contracts and establishing a free economic zone. Ukraine wished to see the elimination of all barriers to external trade and hoped to join the General Agreement on

(Mr. Goumenny, Ukraine)

Tariffs and Trade (GATT). All quantitative limitations to external trade were being abolished and a national convertible currency was being introduced. Ukraine wished to base its trade relations on partnership and strict observance of agreements, and hoped to develop its economic links with the other members of the Commonwealth of Independent States, especially Russia, as well as with its neighbours to the west and south and countries of all continents. It desired civilized economic relations with all regions and hoped to end the pernicious practice of barter-based trade.

46. It was vital to enhance the effectiveness of UNCTAD. Ukraine therefore reiterated its support for Trade and Development Board decision 398 (XXXVIII). In that connection, Ukraine would be very interested in the research activities of UNCTAD, in the study and analysis of the experience of reforms in the developing countries and countries in transition regarding finance, privatization and structural reforms, particularly in external trade, as well as the holding of seminars for the dissemination of information on the possibilities for commercial and economic cooperation with those countries, including Ukraine. Ukraine welcomed the establishment by UNCTAD of the Ad Hoc Working Group on Comparative Experiences with Privatization, and hoped that the current session of the General Assembly might adopt a resolution on that issue. Priorities for UNCTAD were the implementation of resolutions on enhancement of the world trade system, research on exchange of experience regarding the creation of a modern trade infrastructure, the enhancement of customs procedures, the strengthening of trade insurance and finance mechanisms, the creation of free economic zones and the use of electronic data exchange. UNCTAD must adapt rapidly to the new political realities, and seek closer cooperation with such organizations as GATT, the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD).

47. Mr. YEGOROV (Belarus) supported the view contained in paragraph 15 of the progress report by the Secretary-General on strengthening international organizations in the area of multinational trade (A/47/410). His delegation welcomed the decisions taken at the second part of the thirty-eighth session of the Trade and Development Board, including decision 398 (XXXVIII). Belarus welcomed the growing interest on the part of the United Nations and international financial and economic institutions in the processes under way in the Commonwealth of Independent States and Eastern and Central Europe, which would have a both short-term and long-term impact on world economic development.

48. The move from a centrally planned to a market-based economy was a contradictory and painful process; success would depend not only on domestic political will and social patience, but also a broad external support from bilateral and multilateral sources and sound cooperation with the United Nations and other international, economic and financial institutions. His delegation appreciated the efforts of the international community to provide technical and financial assistance. However, he hoped for serious economic

(Mr. Yegorov, Belarus)

commitments and long-term economic programmes which took into account the specific circumstances of each country. The social and economic development strategy of Belarus was aimed at integration into the international economic community while preserving and strengthening the Commonwealth of Independent States. The economic reform was designed to establish an effective self-regulatory mechanism, to create a new economic environment with various forms of ownership, and to develop enterprise and competition. New foundations were being laid for international cooperation on trade with the adoption of legislation on external trade, foreign investment, currency regulation, and the banking and customs systems, under the guidance of international expertise in order to to ensure the conformity of those laws to established international practice.

49. Mr. BUKURU (Burundi) said that protectionism was the greatest evil affecting international trade relations. Access to markets had been hampered by growing non-tariff barriers to the exports from developing countries. World Bank experts had estimated that such trade restrictions lowered the gross national product (GNP) of developing countries by an annual 3 per cent, or US$ 75 billion. The Secretary-General of UNCTAD had warned that by refusing admission to third-world products, the industrialized countries would lose a chance to increase their own exports, since the import capacity of developing countries would thus be diminished.

50. For the economic reforms of developing countries, including Burundi, to be successful, it was essential to have a multilateral trading system which was open to exports from those countries. It was strange that just as protectionist measures were on the way out in the developing countries, protectionist tendencies were increasing in the industrialized countries. Burundi had adopted a number of measures aimed at promoting and diversifying exports, including tax incentives, simplified administrative procedures and the establishment of a unique free economic zone covering the entire territory of Burundi and offering a number of tax, customs and banking advantages. However, no significant progress could be made in enhancing trade if other countries did not open their borders. His delegation was therefore concerned over the impasse which the Uruguay Round of multilateral trade negotiations had reached and urged all the parties to overcome their differences.

(b) FOOD AND AGRICULTURAL DEVELOPMENT

51. Mr. BROWN (Vice-President, International Fund for Agricultural Development (IFAD)) said that, almost invariably development programmes had almost invariably, underestimated the productive potential of smallholder farmers, landless labourers, nomadic herdsmen, artisanal fishermen and, in particular, poor rural women. Given the right support, such people could make significant contributions to food and other agricultural production at relatively low cost and with little demand on foreign exchange. In a period of limited resources for development, it was imperative to take advantage of the productive capacity of the poor.

(Mr. Brown)

52. A basic element in the struggle against poverty must be the provision of assets and economic services to the rural poor as well as the establishment of national policies conducive to stimulating the productive capacity of that sector of society. The international community must recognize that, while market forces could over time be expected to benefit the rural poor, in the short term such forces could have adverse effects, particularly in the light of the weak bargaining power of the rural poor. That must be taken into account in national policy elaboration and adjustment planning.

53. It was, first of all, necessary to understand who the poor were and what generated and perpetuated their poverty. The forthcoming IFAD publication, entitled The State of World Rural Poverty and Inquiry into its Causes and Consequences, did precisely that. The next step was to establish poverty-alleviation programmes founded on targeted investments, the reason being that market forces were usually dominated by social groups that in the past had ignored the needs of the poor. Targeting was a means of ensuring that the poor had opportunities to demonstrate their potential even as market forces influenced overall economic policy.

54. If investments were to respond effectively to real needs, those needs must be identified by the poor themselves. Tapping indigenous wisdom, combined with enlightened training, could lead to lower investment and recurrent costs, and could ensure maintenance of those investments by the beneficiaries themselves. Participation must involve community organizational efforts through which the poor could most effectively deal with government institutions and market forces.

55. Since a significant part of rural populations had little or no access to land, off-farm income-generating activities were an essential part of any rural development strategy for bringing the rural poor into the mainstream of national economic life. Whether agriculturally based or otherwise, microenterprises helped to arrest overexploitation of natural resources while promoting family income. As had been recognized in Agenda 21, poverty and environmental degradation were closely linked. However, environmental limitations could not be imposed on those who were already faced with a desperate struggle for survival. Rather, the poor could contribute to environmental sustainability only when they understood how it contributed to their own productive capacity.

56. International agencies must join forces in a new resolve, within their areas of comparative advantage, to eradicate poverty forever. The Joint Consultative Group on Policy, which included the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations Population Fund (UNFPA), the World Food Programme (WFP) and IFAD, had accepted the approach of IFAD to poverty issues and was seeking new and innovative ways to bring the forces of all five agencies to bear in a coherent and consolidated manner. Other financial institutions had recognized the importance of dealing more directly with the problems of poverty and were looking to the lessons learned by IFAD.

57. Mr. CAMARA (Food and Agriculture Organization of the United Nations), speaking also on agenda item 78 (a), said that, while the global value of agricultural exports had increased in recent years, the growth of exports by the developing countries had lagged seriously behind that of the developed countries, and the terms of trade of the agricultural exports of the developing countries had declined drastically since the mid-1980s.

58. Wider access to agricultural markets was essential if agricultural exporting countries, particularly the developing countries, were to expand their export earnings. Continued high levels of protectionism seriously hampered the efforts of many countries to restructure their economies and service and reduce their debt burdens. In order to develop a more open, viable and durable multilateral trading system that would promote growth and development for the benefit of all countries, the Uruguay Round must be brought to a rapid and successful conclusion. FAO was increasing its involvement in international agricultural trade in conjunction with the Uruguay Round, and it was expected that FAO would have a key role to play in the application of the expected agreement on sanitary and phytosanitary measures.

59. A prominent feature of FAO medium-term priorities was to facilitate market-oriented agricultural policy initiatives. However, as recent events in many developing countries had shown, such reforms in isolation did not always ensure food security for all. Policy reforms geared to principles of market orientation must also be accompanied by action in other areas. It was important not to lose sight of fundamental human concerns and, in particular, the poorest segments of society. The smooth workings of market-oriented economies must be ensured not by the withdrawal of the State from all economic activity but by its efficient intervention, particularly in the area of human resources development and institutional and infrastructural improvement.

60. However, policy reforms were unlikely to be sufficient. The magnitude of the task facing many economies, particularly those of the least developed countries, would require renewed efforts to raise both the volume and the quality of international development assistance. It was a matter of profound concern that, while international trade in many commodities remained in a perilous state, official development assistance and - for many developing countries - flows of private capital were grossly inadequate.

61. Domestic and international policy reforms, and supporting action to enhance food security and restore development in the 1990s, must take full account of concerns about the degradation of the environment and the sustainability of development. FAO programmes and projects had actively addressed the technical issues involved in the fields of food, agriculture, forestry and fisheries. However, in the light of the broader concerns that had emerged, FAO had requested the United Nations to intensify interdisciplinary work to ensure integration of environmental considerations in all relevant FAO activities, give higher priority to sustainable development and the prevention of environmental degradation, and strengthen cooperation with other organizations of the United Nations system in the fields of agriculture, fisheries and forestry.

The meeting rose at 6.05 p.m.